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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/805,485	03/13/2001	James B. Pugh	P/52-3	3758

7590 11/07/2006

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EXAMINER

CHANDLER, SARA M

ART UNIT PAPER NUMBER

3693

DATE MAILED: 11/07/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/805,485

Applicant(s)

PUGH, JAMES B.

Examiner

Sara Chandler

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 3.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-3, 6, 7, 12-17 and 19 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-3, 6, 7, 12-17 and 19 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Response to Amendment

This Office Action is responsive to Applicant's amendment and request for continued examination of application 09/805,485 (08/28/2006).

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claim 1 is rejected under 35 U.S.C. 101 as being directed to non-statutory subject matter. The claimed invention is directed to multiple statutory classes because it is a system that contains method steps. Dependent claims 2,3,6,7,12,13 and 14 are rejected under the same rationale.

Claims 1 and 15 are rejected under 35 U.S.C. 101 because they fail to produce a useful, concrete and tangible result. Dependent claims 2,3,6,7,12,13,14, 16,17 and 19 are rejected under the same rationale.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claim rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 1 is rejected for the following:

Claim 1 is rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential structural cooperative relationships of elements, such omission amounting to a gap between the necessary structural connections. See MPEP § 2172.01.

Claim 1 is rejected under 35, U.S.C. 112, second paragraph, because none of the claim limitations have any functionality.

A broad range or limitation together with a narrow range or limitation that falls within the broad range or limitation (in the same claim) is considered indefinite, since the resulting claim does not clearly set forth the metes and bounds of the patent protection desired. See MPEP § 2173.05(c). Note the explanation given by the Board of Patent Appeals and Interferences in *Ex parte Wu*, 10 USPQ2d 2031, 2033 (Bd. Pat. App. & Inter. 1989), as to where broad language is followed by "such as" and then narrow language. The Board stated that this can render a claim indefinite by raising a question or doubt as to whether the feature introduced by such language is (a) merely exemplary of the remainder of the claim, and therefore not required, or (b) a required feature of the claims. Note also, for example, the decisions of *Ex parte Steigewald*, 131 USPQ 74 (Bd. App. 1961); *Ex parte Hall*, 83 USPQ 38 (Bd. App. 1948); and *Ex parte Hasche*, 86 USPQ 481 (Bd. App. 1949). In the present instance, claim 1 recites the broad recitation "card present transaction using outside company proprietary devices", and the claim also recites "(i.e., eConnect, eCashPad)" which is the narrower statement of the range/limitation.

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Claim 1 recites the limitations, "wherein all forms of payments outside of credit card are treated as an ACH transaction; wherein each ACH transaction is placed into an escrow account on behalf of a purchaser and held there until said merchant completes said transaction;" These limitations render the claim indefinite because it is unclear what is necessary to infringe the claim (a) a system or (b) a system used in the method and manner recited.

Claim 1 recites the limitations "forms of payment", "said system further comprising an encryption process" and "escrow system". These are not tangible structural things. Thus, similarly "wherein said form of payment is selected from the group consisting of...." does not have structure.

Dependent claims 2,3,6,7,12,14 and 14 are rejected under the same rationale as claim 1.

Claim 15 is rejected for the following:

Claim 15 recites the limitation "said merchant processing request" in line 10. There is insufficient antecedent basis for this limitation in the claim.

Claim 15 recites the limitation "said merchant account request" in lines 13-14. There is insufficient antecedent basis for this limitation in the claim. It is unclear whether applicant is referencing "said merchant account information" or "said merchant processing request" or something else.

Claim 15 recites a limitation wherein merchants are notified of "processing center and their rates" in line 13. It is unclear what the rates are since the first mention of rates in the claim.

The "if" recited in "wherein if said user does not get a processing center quote" is optional or conditional language. There is no requirement if the user does get a processing center quote. See MPEP § 2106 II.(C).

"an ASP/e-commerce site programming organization downloads Internet service access processing engine and links this to an e-commerce site." It is unclear what is meant by "this."

Dependent claims 16 and 17 are rejected under the same rationale. For purposes of examination: The following limitation in claim 15 "wherein if said user does not get a processing center quote, an ASP/e-commerce site programming organization downloads Internet service access processing engine and links this to an e-commerce site" is interpreted as, If the user cannot get access to information, the information can be downloaded/obtained from somewhere else such as an external website.

Claim 19 is rejected for the following:

Claim 19 improperly depends from a rejected claim and thus the scope of the claim is unclear.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States

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only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-3,6,7,12,13 and 14 are rejected under 35 U.S.C. 102(e) as being anticipated by Morea, Pub. No. US 2002/0120537 A1.

Re Claim 1: Morea discloses a system for providing financial transactions on the Internet comprising:

a computer system linked to the Internet (See Morea, Abstract);

a merchant bank linked to a processing center (See Morea, fig. 12,402,204);

forms of payment (See Morea, fig. 14 "Payment Types") ; and

an escrow system (See Morea, ¶ [0003],[0073];claim 47);

wherein said form of payment is selected from the group consisting of; manual entered credit card, card present transaction using outside company proprietary devices (i.e., eConnect, eCashPad), PIN Debit transactions using same type of card present devices, on-line check, savings account drafts, money market checks, margin security check, on-line credit line pulls, wire transfers, sight drafts, letter's of credit, and similar forms of payment (See Morea, Fig. 3, 92-payment methods);

wherein all forms of payments outside of credit card are treated as an ACH transaction (See Morea, Fig. 3, 92- ACH/EFT);

wherein each ACH transaction is placed into an escrow account on behalf of a purchaser and held there until said merchant completes said transaction (See Morea, ¶ [0003],[0073], claim 47).

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said system further comprising an encryption process for encrypting a transaction (See Morea¶ [0121] [0121] Inherent attributes of encryption is that information is encrypted when it is loaded/entered and before transmission and the information is unable to be de-crypted until it is received. Encryption is security feature and it would defeat the purpose if the information could be tapped into during transmission. Furthermore, it is impossible to de-crypt something before you receive or have it. See MPEP § 2112 [R-3]));

said encryption process taking a transaction and encrypting it as a purchaser loads data into a shopping cart payment process (See Morea¶ [0121] [0121] Inherent attributes of encryption is that information is encrypted when it is loaded/entered and before transmission and the information is unable to be de-crypted until it is received. Encryption is security feature and it would defeat the purpose if the information could be tapped into during transmission. Furthermore, it is impossible to de-crypt something before you receive or have it. See MPEP § 2112 [R-3]);

said encryption process is only de-encrypted when said transaction reaches said processing center (See Morea¶ [0121] [0121] Inherent attributes of encryption is that information is encrypted when it is loaded/entered and before transmission and the information is unable to be de-crypted until it is received. Encryption is security feature and it would defeat the purpose if the information could be tapped into during transmission. Furthermore, it is impossible to de-crypt something before you receive or have it. See MPEP § 2112 [R-3]).

Re Claim 2: Morea discloses the system of Claim 1 wherein said system matches a zip code of said merchant to banks having zip codes nearby and sends an application to said banks for a quote (See Morea, Fig. 13, Claim 53).

Re Claim 3: Morea discloses the system of Claim 1 wherein said banks include national syndicated banks, international banks and offshore banks (See Morea, ¶ [0003], [0031], [0041], [0071], Claims 10 and 36).

Re Claim 6: Morea discloses the system of claim 1 wherein a purchaser can interact with a processing center on-line in selecting alternative payment methods if said first form of payment chosen by a purchaser does not have available funds (See Morea, figs. 1-4).

Re Claim 7: Morea discloses the system of claim 1 further comprising; a foreign currency exchange for a purchaser if an ACH form of payment has been selected (See Morea, ¶ [0003], [0031], [0041], [0071], claims 10 and 36).

Re Claim 12: Morea discloses the system of claim 1 further comprising; said system electronically matching and clearing said transaction by moving funds out of said escrow into a merchant account (See Morea, ACH).

Re Claim 13: Morea discloses the system of claim 12 wherein said system provides notification to said purchaser that a time limit of said escrow has ended and allows said purchaser either to extend said escrow or request a refund of funds (See Morea, ¶ [0003], [0073]; claim 47).

Re Claim 14: Morea discloses the system of claim 1 further comprising; an accounting system that stores details of transactions for retrieval (See Morea, figs. 3-4).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 1,2,3,6,7,12,13,14,15,16,17 and 19 are rejected under 35 U.S.C. 103(a) as being unpatentable over Morea, US Pub. No. 2002/0120537.

Re Claim 1: Morea discloses a system for providing financial transactions on the Internet comprising:

a computer system linked to the Internet (See Morea, Abstract);
a merchant bank linked to a processing center (See Morea, fig. 12,402,204);
forms of payment (See Morea, fig. 14 "Payment Types") ; and
an escrow system (See Morea, ¶ [0003],[0073];claim 47);
wherein said form of payment is selected from the group consisting of;
manual entered credit card, card present transaction using outside
company proprietary devices (i.e., eConnect, eCashPad), PIN Debit

transactions using same type of card present devices, on-line check, savings account drafts, money market checks, margin security check, on-line credit line pulls, wire transfers, sight drafts, letter's of credit, and similar forms of payment (See Morea, Fig. 3, 92-payment methods);

wherein all forms of payments outside of credit card are treated as an ACH transaction (See Morea, Fig. 3, 92- ACH/EFT);

wherein each ACH transaction is placed into an escrow account on behalf of a purchaser and held there until said merchant completes said transaction (See Morea, ¶ [0003],[0073], claim 47).

wherein data is encrypted while it is being sent and wherein only the intended user can see the data in the de-crypted form (See Morea¶ [0121] [0121]).

Morea fails to explicitly disclose a system:

said system further comprising an encryption process for encrypting a transaction;

said encryption process taking a transaction and encrypting it as a purchaser loads data into a shopping cart payment process; and

said encryption process taking a transaction and encrypting it as a purchaser loads data into a shopping cart payment process.

It is old and well-known in the art that information is encrypted when it is loaded/entered and before transmission and the information is unable to be de-crypted until it is received. Specifically it is old and well known to have a system: said system further comprising an encryption process for encrypting a transaction; said encryption

process taking a transaction and encrypting it as a purchaser loads data into a shopping cart payment process; and said encryption process taking a transaction and encrypting it as a purchaser loads data into a shopping cart payment process.

It would have been obvious to one of ordinary skill in the art at the time of the invention to modify the teachings of Morea to provide a system: said system further comprising an encryption process for encrypting a transaction; said encryption process taking a transaction and encrypting it as a purchaser loads data into a shopping cart payment process; and said encryption process taking a transaction and encrypting it as a purchaser loads data into a shopping cart payment process.

One would have been motivated by security because it would defeat the purpose if the information could be tapped into during transmission. Furthermore, it is impossible to de-crypt something before you receive or have it.

Re Claim 2: Morea discloses the system of Claim 1 wherein said system matches a zip code of said merchant to banks having zip codes nearby and sends an application to said banks for a quote (See Morea, Fig. 13, Claim 53).

Re Claim 3: Morea discloses the system of Claim 1 wherein said banks include national syndicated banks, international banks and offshore banks (See Morea, ¶ [0003], [0031], [0041], [0071], Claims 10 and 36).

Re Claim 6: Morea discloses the system of claim 1 wherein a purchaser can interact with a processing center on-line in selecting alternative payment methods if said first form of payment chosen by a purchaser does not have available funds (See Morea, figs. 1-4).

Re Claim 7: Morea discloses the system of claim 1 further comprising; a foreign currency exchange for a purchaser if an ACH form of payment has been selected (See Morea, ¶ [0003], [0031], [0041], [0071], claims 10 and 36).

Re Claim 12: Morea discloses the system of claim 1 further comprising; said system electronically matching and clearing said transaction by moving funds out of said escrow into a merchant account (See Morea, ACH).

Re Claim 13: Morea discloses the system of claim 12 wherein said system provides notification to said purchaser that a time limit of said escrow has ended and allows said purchaser either to extend said escrow or request a refund of funds (See Morea, ¶ [0003], [0073]; claim 47).

Re Claim 14: Morea discloses the system of claim 1 further comprising; an accounting system that stores details of transactions for retrieval (See Morea, figs. 3-4).

Re Claim 15: Morea discloses method for providing financial transactions on the Internet comprising (See Morea, method steps of Figs. 1-5):
logging on to the Internet (See Morea, Fig. 4- Diagram connecting Buyer and Seller to the internet);
providing a shopping cart selection and merchant account application (See Morea Fig. 4- Net Marketplace; Fig. 7);
linking an e-commerce shopping cart to a processing center (See Morea, Fig. 7
"process credit card payments for your webstore");
choosing a shopping cart (See Fig. 4- Net Marketplace);
creating a merchant account (See Morea, Fig. 7);

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providing merchant account information (See Morea, Fig. 7);
submitting said merchant account information to a bank (See Morea, Fig. 12);
submitting said merchant processing request to processing centers for transaction processing quotes (See Morea, Fig. 2 -Processing component; Fig. 6- Transaction Processing component);
notifying said merchant of banks who approved said merchant account request and processing center and their rates; and selecting said bank and processing center (See Morea, Figs. 3,4).
wherein if said user does not find what they need, the user is linked to external provider (Morea, Figs. 1-5, [0031] [0032]).

Morea fails to explicitly disclose a method:

wherein if said user does not get a processing center quote, an ASP/e-commerce site programming organization downloads Internet service access processing engine and links this to an e-commerce site.

It is old and well known in the art to provide users with information such as price quotes, and if unable to do so to link users to other sites with the relevant information. Specifically, it is old and well-known to disclose a method wherein if said user does not get a processing center quote, an ASP/e-commerce site programming organization downloads Internet service access processing engine and links this to an e-commerce site. For example, this is commonly used by companies such as Lending Tree, Priceline etc.

As suggested by Morea, one would have been motivated to create a trusted environment for user that is integrated with the internet marketplace.

Re Claim 16: Morea discloses the method of claim 15 wherein said shopping cart is selected from the group consisting of an Internet service access processor combined shopping cart, or another shopping cart or e-commerce existing platform. (See Morea, Figs. 7-11)

Re Claim 17: Morea discloses the method of claim 16 wherein said another type of shopping cart has a payment processing platform (See Morea, Figs. 7-11).

Re Claim 18: Morea discloses the method of claim 15 wherein if said user does not get a processing center quote, an ASP/e-commerce site programming organization downloads Internet service access processing engine and links this to an e-commerce site (See Morea, Fig. 5).

Re Claim 19: Morea discloses the method of claim 18 wherein said Asp/e-commerce site programming organization performs a transaction test (See Morea, Fig.5).

Response to Arguments

Applicant argues Morea does not disclose a system: said system further comprising an encryption process for encrypting a transaction; said encryption process taking a transaction and encrypting it as a purchaser loads data into a shopping cart payment process; and said encryption process is only de-encrypted when said transaction reaches said processing center. Applicant's argument has been fully considered but is not persuasive.

These feature are inherent to the Morea reference. Inherent attributes of encryption is that information is encrypted when it is loaded/entered and before transmission and the information is unable to be de-crypted until it is received. Encryption is security feature and it would defeat the purpose if the information could be tapped into during transmission. Furthermore, it is impossible to de-crypt something before you receive or have it. See MPEP § 2112 [R-3])). These features are old and well-known to one of ordinary skill in the art for the reasons cited and one would have been motivated modify Morea and explicitly disclose the limitations for the reasons cited.

Applicant argues, Morea does not disclose a method: wherein if said user does not get a processing center quote, an ASP/e-commerce site programming organization downloads Internet service access processing engine and links this to an e-commerce site. Applicant's argument has been considered but is moot in view of the new ground(s) of rejection.

Morea discloses wherein if said user does not find what they need, the user is linked to external provider (Morea, Figs. 1-5, [0031] [0032]). Although Morea fails to explicitly disclose wherein if said user does not get a processing center quote, an ASP/e-commerce site programming organization downloads Internet service access processing engine and links this to an e-commerce site, these features would have been obvious. It is old and well known in the art to provide users with information such as price quotes, and if unable to do so to link users to other sites with the relevant information. Specifically, it is old and well-known to disclose a method wherein if said

user does not get a processing center quote, an ASP/e-commerce site programming organization downloads Internet service access processing engine and links this to an e-commerce site. For example, this is commonly used by companies such as Lending Tree, Priceline etc. As suggested by Morea, one would have been motivated to create a trusted environment for user that is integrated with the internet marketplace.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure:

Brendel, US Pat. No. 6,772,333 - encryption; and
Vega, US Pub. No. 2002/0120554 - quotes.

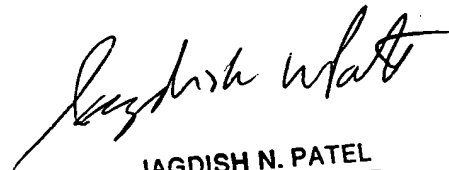
Any inquiry concerning this communication or earlier communications from the examiner should be directed to Sara Chandler whose telephone number is 571-272-1186. The examiner can normally be reached on 8-4:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Trammell can be reached on 571-272-6712. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

SMC



JAGDISH N. PATEL
PRIMARY EXAMINER